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	IO-00	JUSE-00	LAB-01	L-00	MOFM-00	MOF-00	VCIE-00
	NSAE-00	ISN-00	NSCE-00	OIG-00	OMB-00	NIMA-00	EPAU-00
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SUBJECT: FY2010 DEMARCHE/OBJECTIVES FOR THE MAJORS LIST  
REPORT TO THE GOVERNMENT OF PERU

¶1. This message is an action request  
(Paragraphs 7, 8 and 9).

¶2. Summary and Action Requested. This message provides guidance for posts to engage the host country through a demarche on USG narcotics control objectives. This process is in connection with the State Department coordinated annual narcotics Majors List process, the requirements of which are contained in Section 760 of the Foreign Relations Authorization Act, FY 2002-2003 (FRAA), signed into law on September 30, 2002. The FRAA makes permanent the "failed demonstrably" standard used in FY 2002 FOAA for "majors list" countries. The FRAA also consolidates the identification of the "majors list" countries with the old "certification" process into a single report, and is reported to Congress no later than September 15 of the prior fiscal year. The INCSR is still due March 1 each year.

¶3. The Department has closely coordinated with the interagency community to craft suggested benchmarks for countries on the "majors list" that will help Peru to meet its international and bilateral counternarcotics obligations. Paragraph 7 contains suggested general Majors List process talking points; and suggested country-specific counternarcotics benchmarks are listed in paragraph 9 of this cable. Paragraph 8 sets forth the applicable legislative criteria which post may draw on to help the host government understand the legal requirements and background of the Majors List process, and paragraph 11 summarizes the major themes of the new U.S. National Drug Control Strategy, including market disruption and demand reduction efforts. Reporting requirements added under the provisions of the Combat Methamphetamine Epidemic Act (CMEA), which modified Section 489(a) of the Foreign Assistance Act of 1961, as amended, and Section 490(a) of the FAA are handled through a separate telegram.

¶4. Post is requested to provide a diplomatic note or a non-paper, to be drafted based on the information and proposed talking points below. Department recommends a presidential-level demarche, if possible. Please advise Department of results, upon presentation of the demarche, of host government views and counternarcotics initiatives and include text of the diplomatic note or non-paper. Presently the 20 countries on the Majors List are Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru and Venezuela. End Summary.

¶5. The Majors List demarche process enables the

USG to present its priority counternarcotics objectives to the major drug-transit and drug producing ("Majors List") countries. These objectives are based on the requirements set forth in U.S. law, and the National Drug Control Strategy, and focus on the particular narcotics issues in the U.S. relationship with individual host governments. The suggested country-specific benchmarks in para 8 also reflect issues of concern to the interagency.

¶6. Department recommends that post report regularly on counternarcotics progress. (This reporting may be included in monthly counternarcotics reports.) In early June 2009 Department will ask post for a report card assessing progress on U.S. and host country objectives in preparation for the interagency process leading to the FY 2010 Presidential majors list determinations on September 15, 2009.

¶7. Suggested General Points:  
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-- U.S. law defines the majors list mechanism, but we believe the process of articulating clear counternarcotics objectives enhances our bilateral relationship and moves both of our countries closer to meeting international goals for controlling illicit narcotics trafficking and associated transborder crime.

-- U.S. efforts to curb its own drug consumption problems are highlighted in the President's "National Drug Control Strategy," the International Narcotics Control Strategy Report (INCSR) and other U.S. policy documents on drug control.

-- It is our objective to keep you informed on our progress in that regard. However, our domestic policies cannot succeed while drug criminals operate with impunity around the world.

-- Cooperative anti-drug programs have proven their value, and the most powerful defense against the drug trade is political will -- if political will is weak, corruption soon sets in. Corruption undermines the rule of law, puts democratic government in jeopardy, and sabotages cooperative efforts against drug trafficking.

-- Our actions and statements are consistent with the goals of the 1988 UN drug convention, and are pursuant to U.S. domestic legislation on certification (see below).

-- We would like to engage with you in a dialogue regarding our counternarcotics objectives for the near term, and to present counternarcotics benchmarks that, if met, will be given due consideration by the U.S. in evaluating compliance with the goals and objectives of the 1988 UN convention and our bilateral counternarcotics agreement. We will continue our dialogue with you on this subject throughout the year.

-- The USG, within budgetary limitations, will seek to be as responsive as possible to your government's requests for drug control assistance.

-- However, the USG's assessment of a country's counternarcotics performance is independent of levels of U.S. bilateral counternarcotics assistance to that country.

18. In making reference to statutory requirements for the Majors List, the following language is recommended to post:

-- Under U.S. law each country identified by the President as a major illicit drug producing or drug-transit country is subject to the annual Majors List process, whereby the president determines, based upon overall counternarcotics performance, whether the country has "failed demonstrably" during the previous 12 months to make substantial efforts to adhere to their obligations under international counternarcotics agreements and take the counternarcotics measures specified in U.S. law.

-- The Majors' List determinations are made by the President upon the recommendations of the Secretary of State, with input from other concerned USG agencies.

-- In order not to be found to have "failed demonstrably," a country must take meaningful and committed actions against narcotics trafficking and related criminal activity. Key criteria considered in the Majors List process include:

(1) Accomplishments in areas identified in the 1988 UN drug convention:

- Cultivation/manufacturing;
- Consumption/demand reduction;
- Trafficking;
- Illicit crop eradication/Substitution;
- Interdiction and law enforcement cooperation;
- Asset seizure;
- Extradition and mutual legal assistance;
- Drug treatment;
- Control of precursor/Essential chemicals;
- Money laundering.

(2) Accomplishing goals described in any applicable bilateral narcotics agreement with the United States, or a multilateral narcotics agreement.

(3) Preventing and punishing public corruption, especially by senior government officials that facilitates the production, processing, or shipment of drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

(Post may wish to note that the third aspect of performance, i.e., dealing with drug-related public corruption, as evaluated in the counternarcotics certification process, is also the subject of a separate provision of U.S. law: section 487 of the FAA prohibits the USG from allowing FAA and Arms Export Control Act assistance to flow "to or through" an individual or entity convicted in the U.S. or in a foreign country of a drug-related offense, or that we have reason to believe is or has been an illicit drug trafficker or "a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such substance.")

-- We are very interested in efforts to improve regional cooperation and regional activities to support the goals of the 1988 UN drug convention. We will consider such activities and initiatives as we evaluate performance.

-- While the President makes his Majors List determinations based on a country's compliance with all aspects of the 1988 UN drug convention,

our bilateral agreements, other multilateral agreements, and the elimination of corruption, there are specific areas of interest that we will highlight during the Majors List process. To further clarify our objectives, we have grouped many of the goals of the 1988 UN drug convention into the following categories in order to facilitate our bilateral discussion and analysis:

- (1) Drug production and cultivation  
Article 3.1 (a); articles 12-14;
- (2) Possession and demand reduction  
Article 3.2;
- (3) Drug transportation and distribution  
Article 3.1 (a), (c); Articles 15-19;
- (4) Drug precursor substances, equipment and materials  
Article 3.1 (a); Articles 12, 18;
- (5) Drug proceeds and confiscation  
Article 3.1 (b); Article 5;
- (6) Law enforcement  
Article 3.6;
- (7) Extradition and mutual legal assistance  
Articles 6-7;
- (8) Legislative measures  
Articles 3-8; Articles 9-19.

#### 19. Suggested Country-Specific Counternarcotics Demarche Benchmarks:

A) Post is asked to deliver the following Peru-specific counternarcotics benchmarks to senior GOP officials and report responses via front channel cable no later than April 25. The demarche should be consistent with the goals and objectives of the most recent bilateral narcotics control letter of agreement.

#### B) Summary of Demarche Issues

The USG encourages the GOP to continue its focus on core commitments to eradication, interdiction, and alternative development to reduce coca cultivation and cocaine production. The GOP's five-year counternarcotics plan reflects this emphasis on control and interdiction of precursor chemicals, drug seizures, reduction in coca cultivation, enforcement of money-laundering laws, demand reduction, and improvement of local economic conditions by introducing development alternatives to reduce dependency on coca cultivation. The GOP should continue its efforts to expand counternarcotics police presence east of the Andes. Positive steps should be taken to secure conclusion of negotiations on maritime operational procedures for counterdrug and migrant interdiction.

#### C) Demarche

##### Drug Production and Cultivation

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--The GOP should reduce illegal coca cultivation in Peru through continued programmed eradication reducing hard-core areas and coca expansion zones. Eradication should be at the same or better rate than in calendar year 2008, recognizing that reduced assistance resources available from the United States may be a limiting factor.

--The GOP should continue efforts to locate opium poppy cultivation and eradicate all poppy found.

##### Chemical Control

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-- Since Peru is a major importer and producer of precursor chemicals used in cocaine production, the GOP should continue to work on developing a chemical users' registry, which is needed to fully implement the precursor chemical control law.

--This should be coupled with aggressive monitoring of end-use and interdiction efforts to stop the diversion of precursor chemicals for illicit drug processing purposes.

#### Money Laundering, Asset Forfeiture, and Anti-Corruption

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--Using recent legislative authorities, the GOP should develop and implement a national anti-money laundering strategy, including prosecution of those involved in laundering money. The strategy should identify functional and legal causes for delays in prosecutions and initiate actions to remove such barriers.

--The GOP should implement asset forfeiture legislation to increase seizures of narcotics-related assets, and establish mechanisms to convert these assets for use in counternarcotics and other law enforcement efforts.

-- Full and fair investigations should be conducted when allegations of corruption involving law enforcement officials are made, with full prosecutions when indicated. Corruption should be robustly and impartially addressed.

#### Interdiction and Law Enforcement Cooperation

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--Through the PNP Basic Training Academies the GOP should train new counternarcotics police graduates from the region east of the Andes, to provide security for coca eradication initiatives and carry out interdiction operations.

--This buildup in manpower will require a commitment on the part of the GOP to provide financial resources and backing to establish the viability of these new officers, thereby ensuring future operational success.

--The GOP should continue to seize illicit coca leaf and illegal precursor chemicals through repeated interdiction operations. The GOP should strive to increase seizures of illicit drugs and precursor chemicals in coca production zones by 10 percent above FY 2008 levels.

--The GOP should provide adequate resources for drug interdiction capabilities in Peru's Callao and Paita seaports through maritime shipping container inspection programs, including the National Cargo Manifest Review Unit, as well as supporting cargo inspection canine teams in Callao, Paita, and at Lima's international airport.

#### Development Initiatives

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--The GOP should take a leadership role in furthering post-eradication alternative development efforts.

--The GOP should increase its infrastructure investment in the coca growing valleys to facilitate greater market access for alternative development products.

## Demand reduction

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--The GOP should expand its efforts to reduce drug abuse by intensifying efforts to educate the Peruvian public about the threat of narcotics trafficking to society and democratic institutions via active public awareness campaigns nationwide, particularly targeting the most vulnerable members of society.

¶10. During the process of delivering demarches for the U.S. Majors List process, some governments may raise questions about the Multilateral Evaluation Mechanism (MEM).

The MEM process, which has been in operation for some 10 years, is a system of peer review of hemispheric actions to control illegal narcotics by OAS member states. Administered by the Inter-American Drug Abuse Control Commission (CICAD), the MEM is now in its fourth Round for the preparation of reports in the general thematic areas of institution building, drug awareness and demand reduction, illegal drug supply reduction and alternative development, control of pharmaceutical and chemical substances, law enforcement, control of firearms and measures to control money laundering.

Taking into account considerable differences in the state and effectiveness of drug control among participating countries, the MEM process has produced noteworthy results from the most fundamental objective of actually creating a national drug control body (roughly equivalent to the U.S. Office of National Drug Control Policy) and establishing standard guidelines for the treatment of addictions, to the development and implementation of complicated new legislation to enhance controls in areas such as money laundering, firearms and chemicals and pharmaceuticals.

The U.S. recognizes the MEM as a mutual process which has clearly matured and is steadily gaining momentum and prominence as a way to bring OAS countries together in the common effort to control illegal narcotics. In concert with its other 33 partners, the U.S. will continue its support to the MEM as a cost-effective way to counter criminal activity associated with the illegal drug trade. The U.S. encourages all states participating in the MEM to provide the fullest support possible to ensure on-going advancement of the process.

¶11. Post may also draw upon the following information excerpted from the U.S. "National Drug Control Strategy" in order to brief host country officials on the status of USG demand reduction efforts at home:

The United States Government has pursued an ambitious, balanced strategy to reduce drug use among Americans. Since 2001, current use of any illicit drug by youth in grades 8, 10, and 12 has dropped by 25 percent. Pursuing a strategy focusing on stopping initiation, reducing drug abuse and addiction, and disrupting the market for illegal drugs, there are now 900,000 fewer teens using drugs than there were in 2001. This is real progress, and U.S. international counterdrug efforts must act to sustain, accelerate, and broaden this success.

The President's FY 2009 drug control budget seeks to maintain this momentum by increasing funding levels for drug programs throughout the federal government. The Administration has asked for a FY 2009 drug control budget of \$14.1 billion, an increase of \$459 million over the 2008 enacted level of \$13.7 billion. Demand reduction programs will maintain support for innovative approaches targeting prevention, early intervention, and drug treatment. Funding for supply reduction programs will support operations targeting the economic basis of the drug trade, domestic and international sources of illegal drugs, and trafficking routes to and within the United States. The budget includes increased resources to aid counternarcotics efforts in Afghanistan while following through in Mexico, Central America, and Colombia and the Andean region.

For more information of the U.S. National Drug Control Strategy and recent drug news go to: [www.whitehousedrugpolicy.gov](http://www.whitehousedrugpolicy.gov)

¶12. Further action: To reiterate, please note that this message on the majors list countries requesting appropriate demarches to the host countries will be followed by a request from INL/PC for a "report card" telegram from each country (specific guidelines will be provided) as to the country's drug control performance in accord with U.S. law, with a due date in June 2009. This reporting will then feed into the annual inter-agency certification process for FY2010, led by the Department of State and culminating in the President's Annual Report to Congress on the List of Major Drug Transit or Major Illicit Drug Producing Countries.

CLINTON